Strategic Best Practice - Strategic Activity Overtime

Author: Acumen Insights

Version: 0.1

Date Published: 15-Feb-2009

http://www.acumen-insights.com
Introduction

This paper presents a series of insights into how strategic practice unfolds over time. This paper should be read in conjunction with ‘Strategic Practice - Overview of Processual Thinking’ (and related papers).

Discussion

In relation to other work of IST strategic development in large organisations (e.g. Earl 1993 and 1996; Galliers 1987 and 1991; and Ward and Peppard 2002) the emphasis is on such factors as SISP objectives, SISP models, levels of comprehension and the formality of information systems planning. Although this base of work has been influential, there is a tendency for it to be fairly prescriptive in nature denoting a preferred approach or model to be adopted within organisations, which may not necessarily be reflected in praxis.

The focus of the majority of IST strategy theory positions itself at the organisational level of strategic development (e.g. McFarlan and McKenny, 1983; Keen, 1991 and Ciborra, 1994) by focusing on the declared strategic rationale at the abstract level. Although useful in providing high-level insights, these perspectives do not necessarily reveal the true complexities of strategic development and implementation in practice.

Processual knowledge of strategic change extends our understanding of IST strategic initiative initiation, development and implementation as it enables a more realistic perspective of the unfolding strategic activities and processes, as actors appreciate situations, make judgements, make decisions and take action. The processual theory of strategic change illustrates the complexities of changing contextual and content-based issues as the strategic processes unfold that have a major impact on strategic and systems development activity. The processual theory (based on Pettigrew, 1987; Pettigrew and Fenton, 2000; Pettigrew et al, 2002; Melin, 1988; Chakravarthy and White, 2002) reveals a more multi-dimensional and multi-levelled descriptive perspective of IST initiative initiation, development and implementation, which moves away from the orthodox IST prescriptive perspectives, helping to reveal rich data from within the area of concern through a structured interpretative framework.

The acknowledgement of time, process and levels of activity reveals a complex interplay of actors, relationships, decisions and action-taking that comprise the IST strategic activity. Importantly, these multiple levels of activity illustrate competing factors such as: alignment focus, strategic rationale, levels of planning integration and the potential planning dislocations inherent to the strategic development and implementation of IST strategic initiatives within large organisations. Within many organisations, a common theme of prioritising the strategic activity focus as the initiatives unfold is apparent. In this sense, different aspects (such as strategic rationale, planning models etc) would be given greater priority at different stages of the initiative's development life cycle.

The processual model of strategic change helps to distinguish major impacts and influences in strategic activity. In terms of decision making and action taking, these models remove the restrictiveness of the rationale approach to strategic change and acknowledges the importance of organisations being comprised of a set of shifting actors and interests (Cahkravarthy and White, 2002), as:

“…organisational actions are not the result of decisions per se, but rather caused by a random intermingling of problems, people, issues, decisions, opportunities, ideas and solutions.” Chakravarthy and White (2002: 191)

Additionally:
“...our research allows us to question one of the restrictive orthodoxies in the strategy literature, that strategies are first formulated and then implemented through rational linear processes.” Whipp et al (1988: 80)

These and other studies have confirmed the need to complement the rational perspective on strategy processes with the social/political and evolutionary perspectives. Decisions and actions need not follow an orderly precedence. What may appear to be a decision made by top management may not have its origins in a process that was in part intuitive, social and political. Chakravarthy and White (2002: 193)

Importantly, the political dimension of IST strategic activity is clearly evident across strategic practice. Although there is use of top-down formal processes used to initiate and formalise strategic initiatives, there is a tendency to use political behaviour to gain support and justification for a strategic initiative requiring investment and senior management commitment. Further, this commitment can be based purely on value judgements without any substantial analysis being conducted, meaning that an element of uncertainty is present in terms of final outcome and the mechanisms needed to develop and implement the initiative. As Lewis (1991) argued the appreciative system:

“...may guide decision makers to recognise particular aspects of a situation as relevant and to a particular view of what data is needed and how the decision should be made.” Lewis (1991: 39)

Without these initial value judgements, many strategic initiatives would not be commenced. An element of risk was needed to commence the strategic reorientation. In some cases the outcomes are successful, in others they fail, but what is common across many organisations is the need to take risk in attempting to deliver strategic value. Importantly, in many of the established IST prescriptions (see for example Parnell, 2003) risk is seen to be adverse for organisations. However, strategic practice illustrates the embracing of risk by senior executives in order to commence new strategic initiatives.

The actors involved in the strategic activity are constantly affected by various changing contextual influences which reside in the organisational and contextual environments. Organisational influences tend to reside with strategic reorientation or internal technology changes whilst the situational changes are caused by changing industry factors or the availability of new technologies. Additionally, these contextual influences can be changed (though political manoeuvring) to justify a strategic initiative – especially in terms of gaining senior management support and budget approval. As initiatives unfold however, the contextual influences tend to be organisationally-based, covering: resource issues, management and technological uncertainty. All of which require careful management in order to deliver the strategic value. Evidence from practice shows a non-linear, rational and non-rational process of strategic change which is:

“...shaped by the knowledge and information acquired in each stage as strategic decisions are made under conditions of limited rationality and ambiguity.” Kuwada (1998: 721)

Content based issues are central to the overall development and implementation of the portfolio of initiatives in any organisation. In terms of the source of the strategic idea Nutt (1998) argued that activists readily offer information to decision makers from inside and outside the organisation. There is a tendency in strategic practice for the IST decision-makers to be the actors who are open to this information and act upon it. From this point on, these individuals provide the dominating frames of thought and drive for an initiative by attempting to alter an organisation’s basic strategic
assumptions and ideas (Kuwada, 1998). Furthermore, at commencement there is little consideration of implementation issues as the main focus is on the shaping and crafting of the strategic idea. The more ‘technical’ issues of implementation tend to be managed as the initiative unfolds.

Finally, the existing knowledge relevant to an organisation’s ability to exploit IST generally focuses on the stages of growth concept (e.g. Nolan, 1979 and Galliers, 1991). In these models, organisations adopt a general evolutionary pattern to IST exploitation. More recent theory relevant to the changes occurring with the location of IST resources reveals the moving of IST capabilities outside of the host organisation into external service providers in the form of outsource and application service providers (e.g. Liddel, 2001; Loh and Venkatraman, 1992; Lacity and Willcocks, 2001 and Kern and Willcocks, 2002). Through the processual models of strategic change it is evident that external service providers can impact on the host organisation’s ability to exploit IST within the evolutionary model. In practice, the exploitation of external resource provision can potentially assist organisations to ‘jump’ stages of growth as they are now able to readily access applications and services direct from the open market. This negates the need to gradually evolve along the traditional IST evolutionary curve as individual stages can essentially be skipped if required. In fact:

“Now that IT has become a commodity – a pervasive infrastructure – any company has access and any system can be instantly replicated.” Tapscott (2004:1)

This level of engagement with IT is clearly evident in strategic practice as organisations embrace readily available resources, skills, expertise and technology.
References


Liddle, A., 2001, To ASP or not to ASP is the question, but the answer isn’t as simple as ABC, Nations Restaurant News, Jan, Vol 35 Isu 23.


McFarlan, F. and McKenny, J., 1983, Corporate Information Management: The issues facing senior management, Irwin, US.


Tapscott, D., 2004, The Engine that Drives Success; The bets companies have the best business models because they have the best IT strategies, CIO, Framingham, May 1st, pp 1-5